

NO. 472.

UNITED STATES CIRCUIT COURT OF APPEALS FOR
THE NINTH CIRCUIT.

HERMAN CRAMER,

Plaintiff in Error,

Vs.

SINGER MANUFACTURING CO.,

Defendant in Error.

OPENING BRIEF OF PLAINTIFF IN ERROR.

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Of Counsel.

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(OCTOBER TERM, 1898.)

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Statement of the Case.

This is a writ of error brought to reverse a judgment of the Circuit Court of the United States for the Northern District of California, in which Herman Cramer was plaintiff, and the Singer Manufacturing Company defendant. For brevity the defendant will hereinafter be designated as the Singer Company.

The case is an action at law for the infringement of a certain patent for an improvement in treadles for sewing machines, No. 271,426, issued on the 30th of January, 1883, to Herman Cramer.

The defendant appeared and answered the complaint, and thereafter filed an amended answer on the 27th of May, 1897, setting up the following defenses:

(a) A plea to the jurisdiction of the court.

(b) The general issue.

(c) That the plaintiff was not the first or original inventor of the invention claimed by the letters patent aforesaid; and that the said invention was substantially shown and described in various prior patents and publications.

(d) That the said invention had been known to and was used by various persons prior to plaintiff's invention.

(e) That the plaintiff, after the rejection of his original application, had filed an amended specification in the Patent Office, and by his own act limited the scope of his invention.

(f) A plea of a former judgment in an action brought on the 31st day of May, 1893, against the defendant herein, and one *Willis B. Fry*, for infringement of the same patent, in which action a judgment of dismissal had been entered in favor of the present defendant, and a subsequent verdict and judgment had been rendered in favor of the said *Willis B. Fry*, against the plaintiff.

(g) A plea of the statute of limitations to the cause of action set forth.

Transcript of Record, pp. 28-45.

Upon these pleadings a trial was had, and a verdict and judgment was rendered in favor of the defendant.

It appears by the bill of exceptions that this verdict was rendered by the jury upon the sole ground that the judgment in the case of *Cramer vs. Fry*, was a bar to the cause of action alleged in the complaint, and this verdict was rendered under peremptory instruction to that effect given by the learned judge who presided at the trial.

It further appears by the bill of exceptions, that upon the trial of the action plaintiff offered in evidence the letters patent sued on, and introduced the oral testimony of various witnesses tending to prove all the allegations of the complaint, and then rested. (Record, pp. 49-54.)

The defendant, in order to maintain the issues upon its part, offered in evidence the judgment roll in the case of *Cramer vs. Fry*, which is the judgment roll pleaded and set forth in the defendant's answer herein. This judgment roll consisted of the following papers :

1. The declaration or complaint of the plaintiff, against the Singer Company and Willis B. Fry, setting out the usual allegations in an action at law for the infringement of a patent.

2. The demurrer of the Singer Company, upon the ground of lack of jurisdiction over it, by reason of the fact that it was a corporation created under the laws of New Jersey.

3. The order of the court sustaining that demurrer, and a judgment in favor of the Singer Company against the plaintiff, made and entered December 9th, 1893, which judgment was in terms, "without prejudice to the right of plaintiff to commence another suit for the same cause of action."

4. An amended declaration or complaint of the plaintiff against Willis B. Fry alone, charging him, individually, with infringement.

5. The answer of Fry.

6. The verdict and judgment thereupon, entered on April 12th, 1895, which judgment upon its face, and in express terms stated that it was upon the grounds of non-infringement (Record, pp. 55-61). This judgment roll was offered in evidence *per se* without any explanatory evidence. (Record, p. 61.)

Upon the first offer of this judgment roll an objection was made to the competency and materiality of the same; whereupon the court ruled that before said judgment roll could be introduced in evidence, it was necessary for the defendant to show what were the relations between the defendant in this action, and the said Willis B. Fry, defendant in the other action (Record, p. 70).

Fry was thereupon called as a witness, and testified in substance that at the time of the commencement and trial of said former action he was the general agent for the defendant on the Pacific Coast; that the defendant the Singer Company paid the expenses for making the defense in that suit in the name of Willis B. Fry; that it paid the fees of counsel therein; that he had no agreement with the company whereby he was to be protected and indemnified in case a judgment had been rendered against him (Record, pp. 70-6).

Upon this evidence the court held that the judgment roll previously offered in evidence was admissible, and

admitted the same against the objection and exception of the plaintiff in error.

The defendant then offered in evidence the opinion of the Honorable Joseph McKenna, Judge of the Circuit Court of the United States, who presided at the previous trial, and to which counsel for plaintiff in error objected upon all grounds (Record, pp. 85-6).

The objection was overruled by the court, with the remark, "It may not be the best evidence, but it is certainly evidence. At all events I consulted it to aid me in arriving at the conclusion that I reached, that the two cases are the same, although I had virtually reached that conclusion from other facts" (Record, 85).

To this ruling counsel for the plaintiff in error duly excepted (Record, 85).

The opinion is not set forth in the record, but is printed in Vol. 68 of the Federal Reporter, beginning at page 201, and is made a part of the bill of exceptions by reference.

After the admission of this judgment roll in evidence, and the testimony of Fry hereinabove recited, without any further proof whatever, counsel for defendant made a motion to instruct the jury to return a verdict for the defendant (Record, p. 88).

Plaintiff objected to this on various ground, and among others on the ground that such instruction would be premature as precluding him from offering rebuttal testimony.

This motion was granted, and the court then in express terms instructed the jury to find a verdict in favor

of the defendant, upon the ground that the prior judgment against Fry was a bar to the maintenance of the present action, and a defense to the same. The jury, of course, immediately found a verdict in favor of the defendant, upon which the present writ of error was sued out. (Record, p. 88.)

It therefore appears that the primary question to be argued and decided in this case is, whether the former judgment in the case of *Cramer vs. Fry*, is a bar to the present action. Various minor questions are raised by the assignment of errors, and are presented for consideration on this writ of error. We rely upon all the specifications of error noted except the first five. Those relied on are as follows :

VI.

That the said court erred in overruling the objection of plaintiff to the introduction in evidence of the judgment roll of the case of *Cramer vs. Fry*, and in allowing and admitting said judgment roll in evidence.

VII.

That the said court erred in overruling the objection of plaintiff to the introduction in evidence of the opinion of the court in the case of *Cramer vs. Fry*, and in allowing and admitting said opinion in evidence.

VIII.

That said court erred in instructing the jury to render a verdict in favor of defendant.

IX.

That the said court erred in ruling that the judgment in the case of *Cramer vs. Fry* was and is a bar to a recovery by plaintiff in this action.

X.

That the said court erred in ruling that the matters in controversy in this case had become and are *res adjudicata* by reason of the judgment in the case of *Cramer vs. Fry*.

XI.

That the said court erred in not allowing the plaintiff to put in rebuttal testimony.

XII.

That the said court erred in not allowing plaintiff an opportunity to put in rebuttal testimony.

XIII.

That the said court erred in proceeding to instruct the jury before all the testimony had been put in; and

XIV.

That the said court erred in proceeding to instruct the jury before plaintiff had an opportunity to put in rebuttal testimony.

Argument.

I.

The instruction to the jury to find a verdict for defendant was premature, in that it was given before the testimony was closed, thereby precluding plaintiff from offering rebuttal evidence.

It will be noted that the first thing which the defendant did, when called on to make its defense, was to offer in evidence the judgment roll from the case of *Cramer vs. Fry*. To this offer plaintiff objected. Thereupon "the court ruled that before said judgment roll could be introduced in evidence it was necessary for defendant to show what were the relations between the defendant in this case, the Singer Manufacturing Company, and the said Willis B. Fry, named as defendant in the case mentioned in said judgment roll" (Record, p. 70).

In accordance with this ruling defendant then produced said Willis B. Fry, who testified at length as to the relations existing between him and the defendant. As soon as this testimony was given, the court admitted the judgment roll in evidence, and then the defendant requested the court to instruct the jury to find a verdict, thus cutting short the trial and preventing plaintiff from rebutting Fry's testimony. Plaintiff objected to this as "preventing the plaintiff from putting in any rebuttal testimony, which he is ready and prepared to put in" (Record, pp. 87-8). This objection was overruled, and plaintiff excepted. The ruling was clearly error.

Undoubtedly plaintiff had a right to rebut Fry's testimony, and the court was not warranted in assuming, *first*, that said testimony was true, and *second*, that it was incapable of rebuttal.

That this testimony was material, and that the court relied on it as a necessary link in the chain of defense, is apparent from the bill of exceptions. The court so ruled in rejecting the judgment roll until the said testimony should be introduced; and in rendering his decision the learned judge said:

“By the evidence of the witness Fry, just upon the stand, it is very evident that he was nothing more than the agent of the Singer Manufacturing Company. He had no responsibility in the former suit, and it was indifferent to him personally as to how that suit may have been concluded, because the company was to protect him.

“There is one item of his testimony that comes within a decision away back in the 4th Federal—I do not remember the title of the case now—where an agent was paid simply a commission. It was there held that the company was not responsible for his acts, and that a judgment against him would not bar it. But in this case, the agent Fry seems to have received but part of his pay in commissions. He was, nevertheless, an agent in the full sense of the term, for whose acts the defendant company is responsible. Moreover, it appears from his testimony that the company did defend the former suit, paid all the expenses of the defense, and that therein he acted as the agent of the company.

Such being the case, the plaintiff clearly had a right to rebut that testimony. He called the court's attention to his right in that regard, but the court overruled him, thereby depriving him of such right.

It was not necessary for him to specify what rebuttal testimony he had, nor its nature and character. His objection was that he was prevented from putting in any rebuttal testimony "which he is ready and prepared to put in" (Record, top of page 88). That is in substance, a statement that he had at his command rebuttal testimony of some kind. Not until it should have been introduced could its effect be determined, and the wrong done us was in taking away from us our right to put in rebuttal testimony.

But even if plaintiff had no rebuttal testimony to offer, it was error not to submit the case to the jury. The jury, and not the judge, was the proper arbiter of the facts. In the recent case of *Signa Iron Co. vs. Green*, 88 Fed. Rep. 207, decided by the Court of Appeals of the Second Circuit, the syllabus says:

"The testimony of a party on a material issue, though uncontradicted, should be submitted to the jury, if his adversary so requested."

II.

The court erred in admitting in evidence the opinion of Judge McKenna, rendered in the case of Cramer vs. Foy, and reported in Vol. 68 of the Federal Reporter, pages 201 et seq.

The opinion of the court in the same action, or in any other action, is not proof of the facts therein stated. There may be a case like the action of *Norton vs. San Jose Fruit Packing Company*, in which all the evidence in another case may be brought into the record by stipulation. That is no more than saying that a party may admit depositions on the same point in a case if he chooses in order to avoid the necessity and expense of taking the same depositions over again. But no case ever decided that a statement of facts in an opinion of a court or judge is legal evidence of the facts stated.

The opinion of the court below upon direct appeal in the same case is neither competent nor sufficient proof of the evidence given or of the facts decided in such case on direct attack, nor can it be proof in a subsequent action. This precise point has also been decided by the Supreme Court of the United States.

Dickinson vs. Planters' Bank, 16 Wall., 250.

Stone vs. United States, 164 U. S. 382-3.

British Queen M. Co. vs. Baker, 139 Id. 222.

Lehnen vs. Dickson, 148 Id. 71.

Saltonstall vs. Birtwell, 150 Id. 417.

Nor can the opinions of the Supreme Court of the United States, treating facts as established, be received as competent proof of the same facts in other cases.

Mackay vs. Easton, 19 Wall., 632.

U. S. vs. Johnson, 1 Wall., 329.

Enfield vs. Jordan, 119 U. S., 692.

U. S. vs. Anguisola, 1 Wall., 358.

There is no way of proving that evidence was in fact given, or proof made upon the trial of the former action, except by calling a witness who heard the evidence given and having him detail the same. Not even a bill of exceptions or a statement of the case is proof that evidence was given in such prior action.

No doubt the reporter who took down the testimony might be called, as his notes of the evidence might be read to assist his memory. Or, as in the case of *Norton vs. San Jose Fruit Packing Company*, the whole evidence in the case might be brought into the record of a subsequent action by stipulation.

But in the case at bar neither was done. The learned judge who presided at the trial in the court below did not hesitate to avow in the following language the fact that he had reached a conclusion upon the material issues in this case by an ex-parte examination of the record in the former action:

“*The Court*—I take it from the evidence already offered that this is the same case tried before. My mind is made up upon that. If the record does not show that, you might be permitted to show it. But I have made up my mind that this is the same case that was tried before. I have looked over the old case and think the patents introduced there are the same as those introduced here. The same evidence is introduced here that was introduced there. I could not well determine that without going over the whole evidence.”

Counsel for defendant in error was not slow to perceive the erroneous nature of this ruling, and endeavored to

expostulate with the Court upon the subject, as will appear by the following extract from the bill of exceptions:

“*Mr. Wheaton*—Notwithstanding your honor has made up your mind and you really know it is so, still I suppose we are required to make out a full case so as to make a record and show not only that the Singer Company made the fight in that case, but that the same question was litigated and determined by the judgment in that case which they are now litigating here. That is why the machine which was charged to be an infringement in that case by the proof, not by the complaint, but by the proof, is the same identical machine which is charged to be an infringement here; that is this machine made under and in accordance with the Diehl patent. To show that I thought the quickest way, and most certain way, was to show that that identical exhibit, not another machine of the same kind, but the same identical exhibit, the standard of the Diehl machine, the standard made under the Diehl patent, was the same identical machine which was introduced as the infringement in that case.”

To which his Honor, the presiding judge, replied as follows :

The Court—That is going into the evidence. I looked over the decision given by Judge McKenna, and the same patents that you have introduced here already, the Diehl patents and the others, are referred to.

Mr. Offield—The descriptive language would identify that machine.

Mr. Wheaton—If your Honor accepts the decision of Judge McKenna for what he describes in it, I think that provides the evidence.

The Court—It refers to the same patents and the model, and I think it refers to the Diehl patent. So far, I have my mind made up that the case involved the same matter. If you want to make up something for a record, all right. I do not think it is necessary, because I made up my mind that the cases are the same before I came into court, I examined all these papers. If you go into it and introduce that model, I do not know why you should not introduce all the evidence. I do not want to go to that extent. I will let you introduce that one model. I do not want to go into the whole evidence.

Mr. Miller—I want to be heard upon that. I think it is unfair to introduce one piece of evidence from the record in that shape, *non constat* but there is other evidence.

The Court—Very well, I will sustain the objection."

It thus appears, from the bill of exceptions, that the learned judge treated the question of proof as to the identity of the issues in the former, with those in the present, action, as one of judicial knowledge to be acquired by the court by a private reading of the record in the former case, and acted upon that opinion. He regarded any other proof of the identity of the issues as unnecessary and superfluous. He treated the question as a matter of law, and not as a matter of fact, and did not hesitate to carry his expressed opinions on the point to their logical conclusion.

The inevitable result was a ruling that the opinion of the court in the former action of itself and by itself constituted sufficient proof of the identity, and that no evidence could be received against it.

To demonstrate the error of this conclusion is an easy task.

If a writ of error had been taken to this court from the judgment of the former action of *Cramer vs. Fry*, we have seen that it is conclusively settled by the cases above cited that the opinion of Judge McKenna would have been no evidence at all.

The evidence upon such a writ of error should appear in the bill of exceptions. It might have been properly argued that the opinion of the court proceeded upon a partially mistaken or an incorrect view of the evidence. It might have been argued that Judge McKenna had omitted to consider competent and conclusive evidence which would have produced a contrary result. For example, that the officers and employees of the Singer Company and its assignor Diehl had acquired their knowledge of Cramer's invention by clandestine and surreptitious espionage of the plaintiff while he was reducing his invention to a practical machine.

Not only did the Court hold in the case at bar that the opinion was competent and sufficient proof of the evidence introduced on the former trial, but he held that it was conclusive by declining to permit Mr. Wheaton and Mr. Offield, counsel for defendant in error, to offer *portions of the evidence* in the former action. When counsel for defendant in error attempted to offer a single item of

proof, a certain model claimed to have been put in evidence by the defendant Fry in the former case, the court ruled that he could not permit the defendant to offer any portion of the evidence, unless he offered the whole, and he declined to permit the whole evidence to be introduced.

This ruling was made upon the objection of Mr. Miller on the ground of the unfairness of permitting the defendant to introduce an isolated piece of the evidence unless he introduced the whole.

No amount of argument could put the error which we allege in a stronger light.

III.

The evidence introduced at the trial failed to show that the case at bar was the same case as that of Cramer vs. Fry.

This was the ground on which the learned judge based his ruling. Before rendering his decision, he said :

“ I take it from the evidence already offered that this is the same case tried before. My mind is made up upon that. If the record does not show that, you might be permitted to show it. But I have made up my mind that this is the same case that was tried before” (Record, page 77).

Again, at page 78 of the record, he says : “ So far I have my mind made up that the case involved the same matter.”

Again, at page 79 of the record, he said : " I have no question that the case litigated in the former suit was precisely the same as is here upon trial now."

It will thus be seen that the primary basis of the decision was that the two cases were the same, or to quote the words of the learned judge, "that this is the same case that was tried before."

The evidence is wholly and utterly insufficient to support such a finding.

The *prima facie* case made by the plaintiff did not show it, and the only evidence offered by the defendant was the judgment-roll and opinion in the case of *Cramer vs. Fry*, and the testimony of Willis B. Fry, showing his relationship to the Singer Company. There was no other evidence in the case.

The learned judge below appears to have based his opinion on evidence obtained outside of the record, for at page 77 we find this statement from him :

"I have looked over the old case, and think the patents introduced there are the same as those introduced here. The same evidence is introduced here that was introduced there. I could not well determine that without going over the whole evidence."

And again, at page 78, he says : " I looked over the decision given by Judge McKenna, and the same patents that you have introduced here already, the Diehl patents and the others, are referred to * * * It refers to the same patents and the model, and I think it refers to the Diehl patent. So far I have my mind made up that the case involved the same matter. If you want to make up

something for the record, all right. I do not think it is necessary, because I made up my mind that the cases are the same before I came into court. I examined all those papers."

It would seem from these quotations that the learned judge must have reached his conclusion as to the identity of the two cases from evidence which was not in the case at bar. In fact, he says that he had examined the old case and the evidence there introduced and had made up his mind before he came into court. Now in the case at bar defendant introduced no testimony whatever except that of Fry, to show the relationship between him and the company. The Diehl patent referred to by his Honor was not introduced in evidence at all. No mention of it was made other than the mention made in the opinion rendered by Judge McKenna in the case of *Cramer vs. Fry*. Nor was any other patent introduced in evidence by the defendant, nor was there one syllable of evidence offered in the case at bar to show that the machines sold by the defendant and charged to be an infringement of the patent sued on were the same machines as, or similar machines to, those sold by Willis B. Fry in the case of *Cramer vs. Fry*, and therein charged to be an infringement of the Cramer patent. The bill of exceptions herein shows that the plaintiff proved the allegations of his complaint, among which was the allegation that the Singer Company had made and sold machines which infringed the Cramer patent. (See record, page 54.)

It was incumbent therefore, upon the defendant to show the identity of the present defendant's machine

with the alleged infringing machine in the case of *Cramer vs. Fry*; but, as we remarked above, there was not one syllable of evidence on that subject. There is absolutely no showing in this record, from beginning to end, to show the precise character, or nature, or mechanism, of the machines sold by the defendant and charged herein to be an infringement, and the only information on that subject is the statement in the bill of exceptions, that the plaintiff proved them to be an infringement of his patent. Defendant failed to show that they were similar to, or identical with, the machines involved in the Fry case. On the contrary, the only evidence which the defendant introduced at all, is the judgment roll from the Fry case, the opinion of Judge McKenna, and the oral testimony of Fry himself, which was directed to the sole question of the relationship he bore to the Singer Company. Clearly, therefore, the learned judge was in error in holding that "this is the same case that was tried before," for it could not be the same case unless the machines of the defendant herein were the same kind of machines as those of the defendant in the Fry case. This necessary identity of the two machines is not shown and was not shown at the trial. The defendant failed to show it. It was a necessary part of the defendant's case, and in the absence of this material testimony, it was a palpable error to hold that the two cases were the same.

It may be possible that the counsel for defendant in error will contend that the opinion of Judge McKenna rendered in the Fry case, and reported in 68 Fed. Rep.,

page 201, supplies the missing evidence as to the character of the machine which was involved in the case of *Cramer vs. Fry*, and that upon a comparison of the same with the machine sold by the defendant in this case, the identity of the two will be apparent; but unfortunately for that position, the bill of exceptions herein recites in effect that the plaintiff in his *prima facie* case proved that the defendant's machine herein was an infringement of the Cramer patent, without describing in the bill of exceptions the mechanism of the infringing machine, and there is no evidence to show that said infringing machine herein was made under the Diehl patent referred to by Judge McKenna, nor that it was similar to the machines made under said patent involved in the case of *Cramer vs. Fry*.

But there is still another particular wherein the evidence fails to show the identity of the two cases.

This is an action of tort. Section 4919 of the Revised Statutes states that a patentee may bring an action of trespass on the case against any person infringing his patent. An action of trespass on the case is by necessary legal definition and consequence an action of tort. Torts by the established law are joint and several.

Whatever the law is or may have been in regard to the proposition whether a plaintiff suing two persons for a joint tort must recover against both or none, it can have no application to a case in which the issues have been severed by the defendants in the action, and where the principal defendant procures a dismissal as to himself, and leaves the action to proceed against the other defendant as a sole and independent trespasser.

For that reason we deem any extended argument upon the proposition, that in an action against two joint trespassers, the plaintiff must recover against both or neither, immaterial to this discussion.

The action proceeded against Fry as an individual trespasser. The pleadings were several and the issues made related to him alone. The question therefore arises, whether a judgment for the defendant in an action against a several trespasser upon a plea of not guilty or any plea amounting to the general issue, can by any legal possibility be a bar in favor of a joint trespasser, whether such joint trespasser was or ever had been at any stage of the case a party to the previous action.

We maintain the negative of the proposition. Upon this point an examination of the pleadings in the prior action becomes necessary.

The original declaration or complaint was an action on the case against the Singer Company and Fry jointly for infringement of the patent. The company was dismissed for want of jurisdiction. An amended declaration or complaint was subsequently filed against the defendant Fry alone, containing all the necessary and usual allegations in a declaration or complaint for the infringement of a patent. The answer of the defendant Fry is set forth in the record. It denied all the allegations of the declaration. This was equivalent to a plea of not guilty, or the general issue at common law, which may be pleaded by a defendant in such a case by the express terms of section 4920 of the Revised Statutes.

This answer further sets up as an affirmative defense, anticipation by prior patents and publications, and by prior use and knowledge.

The answer likewise contained certain argumentative denials to the following effect, in substance: that the former defendant, the Singer Company, was a manufacturer of sewing machines; that the defendant Fry was its agent in San Francisco, engaged in selling the machines claimed to be infringements of the plaintiff's patent, as the agent of the Singer Company; that he never owned, sold or made use of any machines claimed to be infringements of the plaintiff's patent, except as the agent of the Singer Company; that if the plaintiff had any cause of action arising out of the facts stated, it was against the Singer Company, and not against the defendant Fry; that the court had no jurisdiction of the Singer Company; that the sewing machine treadles which the Singer Company sold through the defendant Fry were made under a patent issued to Philip Diehl, who had assigned the same to the Singer Company; that under that patent and the assignment to the Singer Company, it had a right to make and sell machines therein described; that the claims of the plaintiff's patent were not infringed by the Singer Company manufacturing and selling the treadles constructed according to the description contained in the patent issued to Diehl, and assigned to the defendant. Other pleas were made amounting in effect to a limitation of plaintiff's patent by his own act, which are not material to be considered.

These argumentative denials were bad in law, and

could have been stricken out upon motion. They amounted to no more than the previous general denial of all the allegations of the complaint. There is no difference in law and fact between a denial by a defendant that he had infringed the plaintiff's invention at all, and a denial that he had infringed it in a particular way.

The allegations that the defendant Fry was only the agent of the Singer Company, were trivial and puerile, and constituted no defense to the action. The agent who makes, vends, or uses an article which is an infringement of a patent issued to a third person, is equally liable with his principal.

The allegations subsequent to the general denial would have been bad at common law as special pleas amounting to the general issue. When joined with the general issue they add nothing to the legal effect of the general issue pleaded. When pleaded alone they amount to no more than the general issue, and would have been stricken out upon motion. In fact the denial by Fry that he had infringed the patent by a particular or specific act is not as broad as the previous denial embraced in the general issue that he had infringed it at all.

Upon these pleadings the former trial was had and a verdict was directed by the court in the following terms:

"After hearing the evidence and considering the motion of defendant's counsel, that the jury find a verdict for defendant, it was ordered by the court that said motion be granted, and thereupon the jury was instructed to render a verdict for the defendant on the

“ ground of non-infringement, which was done as follows:

“ United States of America, Circuit Court of the United States, Ninth Circuit, Northern District of California. Herman Cramer, plaintiff, *vs.* Willis B. Fry, defendant—No. 11,808—

“ We the jury find in favor of the defendant—W. W. Shannon, Foreman—Wherefore, by virtue of the law and by reason of the premises aforesaid, it is ordered, adjudged and decreed that said defendant Willis B. Fry have and recover from said plaintiff Herman Cramer, the said defendant’s costs and disbursements incurred in this action, amounting to the sum of \$192.65.

“ Entered this 12th day of April, 1895.” Record, page 69.

In 1st Chitty on Pleadings, 16th Am. Ed., page 552, it is said:

“ Where the defense consists of matter of *fact* merely amounting to a *denial* of such allegations in the declaration as the plaintiff would on the general issue be bound to prove in support of his case, a special plea is bad and unnecessary as amounting to the general issue; first, because such special plea if considered as a *traverse* contains a needless prolixity and expense, and is an argumentative denial and a departure from the prescribed forms of pleading the general issue; and secondly, if viewed as a plea in *confession and avoidance*, it does not give color and plausible ground of action to plaintiff.

Thus in *assumpsit* or debt on a simple contract a plea of matter which shows no such contract was in *fact*

made, is bad; as a plea in an action for the price of a horse, that the defendant did not buy the horse, or in an action in assumpsit against a defendant for the use and occupation of a house 'by A. his wife at his request,' a plea that A. was not the defendant's wife is bad, and in an action for breaking and entering the plaintiff's house and taking his goods, the defendant justified as sheriff under a *feri facias* against the goods of a third person, the plea will be bad if it state that the defendant took the goods *mentioned in the declaration.*"

The same rule of pleading is applicable and sustained by the authorities in cases brought under modern code pleadings. Thus, in the case of *Goddard vs. Fulton*, 21 Cal., 430, it was held that matters affirmatively stated, which amounted to mere denials of the allegations of the complaint, were not confessed by a failure to deny them in a replication, when the Civil Practice Act provided for a replication as the final pleading on behalf of plaintiff.

It was expressly held in the case cited that affirmative allegations which amount in fact and in law to mere denials of the plaintiff's allegations are not new matter or matter in confession or avoidance, and that they could have been proved under a simple denial of the allegations of the complaint.

So in *Frisch vs. Caler*, 21 Cal., 71, it was held, in an action on a promissory note, that an allegation of non-payment by the defendant was essential to a statement of a cause of action in the complaint, and that an allegation of payment, which amounted to nothing more than a denial of the allegation of non-payment in the complaint,

was a simple traverse which did not need to be denied and was not admitted by the failure to deny the same in a replication.

The legal effect and operation of this judgment is no greater than any other verdict or judgment in an action for trespass on the case under the plea of the general issue. It merely determined that Fry had not infringed the plaintiff's patent prior to a certain date. It did not determine that he had not infringed it in a particular way. In other words, it did not determine that he had not infringed it by making sale of or using a particular machine, to-wit: a machine constructed under the Diehl patent. It did not determine that the plaintiff's patent was invalid. It did not determine that the invention described in the plaintiff's patent was not new or that it had been known or practised by the persons named in the defendant's answer. It only determined that he had not infringed the plaintiff's patent at all. This determination would be perfectly consistent with a finding that he had never used nor sold any sewing machines whatever, or that he had never used nor sold a machine with any treadle whatever, or that he had never made, sold or used a sewing machine with a treadle in any manner resembling the treadle embraced in the plaintiff's patent.

If the verdict of the jury be construed to mean a finding that he did not infringe in a particular way, it is also consistent with the fact and argument set forth in the attempted special plea, that all the machines he had made, used or sold were made, used and sold by him as the agent of the Singer Company, and that he was not liable as an infringer in such action.

The court might have instructed the jury that an agent was not liable in an action for trespass on the case for infringement of a patent in selling or using machines received by him from his principal, for sale upon commission, so far as appears from the judgment roll itself. The argument is no stronger in one case than in the other.

If all the attempted special pleas of the defendant were good, and stated defenses to the action, which of them was found to be true by the jury? Was it the plea that he had only sold the sewing machines as agent, and was, therefore, not liable, or the plea that he had sold no machines at all? Or the plea that he had sold only a particular machine, to wit: the machine invented by Diehl, which was not an infringement?

All of these pleas amount to the same defense, that he had not infringed, and if the instruction of the court, and the verdict of the jury, are based upon the total failure upon the part of the plaintiff to prove that Fry had sold any sewing machines at all, of any sort, shape or description, how can that be a bar to this action? Such a finding is absolutely consistent with the instruction of the court and the verdict rendered, as appearing in the judgment roll, and without any evidence *aliunde* to explain the basis of the judgment.

But, as we have hitherto contended, those pleas amount to no more than the general issue, and the verdict was in fact a verdict upon the general issue.

The question remains, is such verdict any more than a finding that the defendant Fry had not infringed the

plaintiff's patent? How can that, under any circumstances, be equivalent to a finding that the defendant, the Singer Company, had not infringed the plaintiff's patent?

In other words, if the company, instead of Fry, had been the sole defendant, how could a finding that the defendant had not infringed the patent, and that he had made no sewing machines at all, be a bar to a subsequent action, in which proof of infringement existed and was brought before the court?

This brings the matter directly within the case of *Russell vs. Place*, 94 U. S. 610, where it is held:

“ If upon the face of a record anything is left to conjecture as to what was necessarily involved and decided, there is no estoppel in it when pleaded, and nothing conclusive in it when offered as evidence.”

IV.

The judgment in the case of Cramer vs. Fry is not res adjudicata of the issues involved herein, because on its face it was expressed to be without prejudice to the maintenance of another suit for the same cause of action against the Singer Company.

There cannot be more than one judgment in an action at law, whether that judgment be comprised in one or in a number of separate papers. The most which can be contended is that the two judgments, the first of which was entered on December 9th, 1893, and the second of which was entered on April 12th, 1895, constitute but one judgment, and both must be read together.

It appears that in the former action a judgment was rendered in favor of the defendant, Singer Manufacturing Company, in express terms without prejudice to the right of plaintiff to commence another suit for the same cause of action, and a judgment in favor of the other defendant, Willis B. Fry, upon the ground, expressed in terms, of non-infringement of the plaintiff's patent. Such a judgment as to the defendant, Singer Company, is by the uniform and universal course of decision no bar to a subsequent action.

This judgment may have been an erroneous judgment, but it was made and rendered at the instigation and request of the Singer Manufacturing Company, and by a necessary and violent presumption entered by its procurement and in accordance with its wishes.

The question therefore arises how such a judgment, being in terms without prejudice to the right of the plaintiff to maintain another suit for the same cause of action against the defendant, Singer Manufacturing Company, can by any possibility be a bar to a subsequent action against that defendant, because it contains also a judgment on the merits in favor of the other defendant upon his separate pleadings and several issues joined between the plaintiff and the defendant Fry in that action.

We maintain that whatever the law may be, if the plaintiff in the present cause had not sued the Singer Manufacturing Company at all in the former action, and the judgment had been on the merits upon the sole issue joined between Herman Cramer and Willis B. Fry, that the judgment as procured to be entered by the Singer Manufacturing Company is not a possible bar.

As we have before said, it might have been erroneous to make or enter such a judgment, and the defendant, if the judgment in that form had been entered against its will, might have had good ground to object to the same and take a writ of error therefrom. But it did neither. It did not object, and it did not sue out a writ of error, and the judgment remains as it is. By procuring the entry of the judgment in the form in which it was entered, the defendant Singer Manufacturing Company limited its own rights thereunder, and the essential right which was excluded by the use of the language "without prejudice to the maintenance of another action against said defendant upon the same cause of action," was an express limitation applicable to all subsequent cases of its right to plead the same in bar.

This consequence must follow from the language and the legal force and effect of the judgment itself.

Cases have happened and may happen in the future of the same kind and character.

Take for example the case of an ejectment brought by a third person against a landlord and tenant. The landlord appears and is dismissed from the action. The action proceeds against the tenant alone. Verdict and judgment are rendered and made in favor of the defendant, the tenant, and against the plaintiff, with the express qualification that the same should be without prejudice to the right of the plaintiff to maintain another action against the landlord. Whoever did, or would or could contend that that judgment would be a bar to a subsequent action by the plaintiff against the landlord?

In the case of *Altschul vs. Doyle*, 55 Cal., 633, the action was brought by the plaintiff against the landlord and tenant. The landlord, against his will, was dismissed as a party to the action, and the evidence of his title was stricken out. The action proceeded against the tenant, and a verdict was rendered in his, the tenant's, favor, upon which judgment was rendered.

This was a case in which the landlord was dismissed from the *action against his will*. But in the case at bar, the person occupying a similar relation to the other defendant was dismissed from the action against the will *of the plaintiff*, and a judgment was entered declaring that the same should not be a bar.

If a judgment under the circumstances detailed is not a bar in favor of the landlord or principal who is dismissed from the action against his will, how much the greater is the reason for holding that a judgment according to the expressed wish and desire of the landlord or principal, which he procures to be entered without prejudice to the right of plaintiff to maintain a new action upon the same cause of action against him, is not a bar to such subsequent action?

The whole judgment must be construed together. Each and every word and line must have its legal operation and effect. There is no law which prevents a successful party to an action from limiting the relief prayed for by him or declaring the legal operation and effect of such relief in accordance with his own wishes and desires. The inevitable effect of the judgment as entered is that the defendant, the Singer Manufacturing

Company, has forever deprived itself of the right to use and offer the judgment entered as a bar to any subsequent action.

There cannot be more than one judgment in an action at law, no matter how great the number of defendants to that action.

A judgment is the final determination of the rights of the parties in an action or proceeding. (Code of Civil Procedure, § 577.)

An order of dismissal is not a judgment. There must be a judgment in terms entered upon said order of dismissal in favor of the defendant against whom the action is dismissed.

In proper practice, an action proceeds against the defendants not dismissed, until the final trial, as to such remaining defendants, and a clause is inserted in the judgment ordering a dismissal of the action against the defendants who have previously dropped out of the case. Such a judgment when entered is a complete whole, and a disposition of all the rights of the parties, and of all the parties before the court.

It was certainly erroneous to enter a several judgment in favor of the defendant Singer Manufacturing Company upon the 9th of December, 1893; and another judgment in favor of the defendant Willis B. Fry upon the 12th of April, 1895.

Be that as it may, the two papers thus made and entered constitute only one judgment at law and must be read and construed as if embraced in one paper. When so read and construed, every exception and limitation in

favor of the defendant, the Singer Manufacturing Company, must be applied to the entire judgment. It would be an absurdity to hold that a judgment in favor of the defendant Fry against the plaintiff is or can be a bar to a subsequent action by the same plaintiff against the Singer Company, when the judgment against the Singer Company in express terms states that it is and shall be without prejudice to the right of plaintiff to maintain a future action upon the same cause of action against the same defendant.

V.

The judgment in Cramer vs. Fry is not res adjudicata because it nowhere appears in the record that the former action of Cramer vs. Fry was defended by the Singer Manufacturing Company openly and to the knowledge of the opposite party.

He gave no testimony at all upon this point. The judgment roll was inadmissible without proof to this effect.

When a person claims the benefit of a prior judgment in an action to which he was not a party, upon the ground that he defended the same, it must appear that he conducted the prosecution or defense of the prior action *openly, and to the knowledge of the opposite party.*

Bigelow on Estoppel (4th Ed.), pp. 98-9.

1 Freeman on Judgments, Sec. 176.

Herman on Estoppel, 159.

Cannon River M. Ass'n vs. Rogers, 42 Minn., 123.

Schroeder vs. Lohrman, 26 Minn., 87.

A party to an action has a right to know his adversary. The knowledge of that fact is important in every step of the litigation. The judge might be the concealed party's father, and the jurymen his near relatives. In case of knowledge by the plaintiff of the real defendant in the cause, he might offer proof of his declarations to bind the nominal defendant.

Mr. Bigelow, in his work on Estoppel (4th Ed. p. 99) says: "And parties, it is said, must be *openly* such: there can be no secret parties in benefit, unknown to the adverse side."

In the case at bar, there was not one particle of evidence to show that the Singer Company defended the Fry case openly, or to the knowledge of Cramer; on the contrary, the presumption would appear to be strong, that the company defended secretly, for it had declined to be a party openly, and had procured a formal dismissal of the suit as to it, on the ground of want of jurisdiction.

VI.

The former judgment against Fry is not res adjudicata because the Singer Company was neither a party, nor in privity with a party to the case of Cramer vs. Fry.

That the said company was not a party *eo nomine* is conclusively established by the record itself. It was

named as a party to the suit in the first instance, but demurred on the ground of want of jurisdiction, and this demurrer was sustained. A judgment was entered dismissing the company from the suit, and thereafter the litigation was continued against Fry alone. In other words, Cramer attempted to make the company a party, but the company successfully objected thereto. That matter is certainly *res adjudicata*, and conclusively settles the proposition that the Singer Company was not a party *eo nomine* to the litigation between Cramer and Fry.

Nor was the company in privity with Fry so as to claim the benefit of that adjudication. The contention of defendant is that Fry acted merely as its agent in selling the alleged infringing machines, and that the company as matter of fact defended the Fry case and paid all the expenses thereof, and for that reason was in privity with him.

If it be true that this company was in the legal sense in privity with Fry, then it is entitled to the benefit of the adjudication in his favor, for it is a rule of law that not only are all actual parties bound by a judgment, but also those in privity with the actual parties. Was the company, therefore, in privity with Fry? We say no.

In the first place, the company had refused to be made a party and the court held that it could not be made a party against its will. In other words, the company refused to be bound by any possible adverse judgment that might be rendered in the Fry case. After that it was too late to claim the benefit of a favorable judgment merely because the company had assisted Fry

in defending the case. No litigant will be allowed to say, I refuse to be made a party or to be bound by a possible adverse judgment, and then assist in obtaining a favorable judgment and claim the benefit thereof. This would be blowing hot and cold at the same time. It would be an attempt "to mend his hold," a thing which the Supreme Court, in *R. R. Co. vs. McCarthy*, 96 U. S., 268, says cannot be allowed.

If judgment had gone in favor of Cramer and against Fry, we think it clear that the Singer Company would not have been bound thereby. It was for the purpose of obtaining this result that the company objected to the jurisdiction. The court ruled that the company could not be made a party against its objection, and the ruling applied, whether the attempt was to make it a party in fact or by intendment. A thing which cannot be done directly cannot be done indirectly. Had the judgment been in favor of Cramer, the company could have very properly said, "I am not bound, because the court ruled that I could not be made a party; my defense of Fry was that of a mere volunteer." Indeed, the effort of the company seems to have been to get out of the litigation, so as not to be bound by any possible adverse judgment against Fry, and then to fish for a favorable decision as to Fry by giving him aid and comfort and claim the benefit of it. It was a case of "heads I win, tails you lose." Such a position is inequitable. We submit that the Singer Company by its conduct is forever estopped from claiming the Fry judgment to be *res adjudicata*.

Bigelow on Estoppel, pp. 642, 687, 690.

This is in accord with the old Scotch law, as stated by Chitty, J., in the case of *In re Chesham*, 31 Ch. D., 473, that "a man shall not be allowed to approbate and reprobate."

Says Mr. Freeman in his work on Judgments (3d Ed. §159), "No party is, as a general rule, bound in a subsequent proceeding by a judgment, unless the adverse party, now seeking to secure the benefit of the former adjudication, would have been prejudiced by it, if it had been determined the other way. The operation of estoppel must be mutual. Both the litigants must be alike concluded, or the proceedings cannot be set up as conclusive upon either. It is essential to an estoppel that it be mutual, so that the same party or privy may both be bound and take advantage of it. Nobody can take benefit by a verdict that had not been prejudiced by it, had it gone contrary. A verdict and judgment in favor of a trespasser would not be conclusive evidence in favor of a co-trespasser in an action by the same plaintiff."

In support of these statements the learned author cites the following cases:

Sprague vs. Oakes, 19 Pick., 455.

Redmond vs. Coffin, 2 Dev., Eq. 443.

Wood vs. Davis, 7 Cranch, 271.

Simpson vs. Jones, 2 Sneed, 36.

Petrie vs. Nuttall, 11 Exc., 569.

1 *Greenleaf Ev.* §524.

And we cite as an additional authority:

Keokuk R. R. Co. vs. Missouri, 152 U. S. 317.

In the next place, the fact that Fry was the agent of the defendant here does not of itself make the former judgment *res adjudicata*, for privity never exists between principal and agent merely because of the existence of that relation. In other words, a principal is not a privy to his agent.

Black on Judgments, 689.

Freeman on Judgments, 164.

Mr. Greenleaf defines privity as "mutual or successive relationship to the same rights of property."

This is a standard definition, and Mr. Freeman, in his work on Judgments (3d Ed. §164), says:

"Agents and principals do not, as such, have any mutual or successive relationship to rights of property. They are not in privity with each other."

The learned judge below held that the Singer Company was a privy to the former suit, and based his decision on the cases of *Robbins vs. City of Chicago*, 4 Wall., 657; *Lovejoy vs. Murray*, 3 Wall., 1; *Eagle Manufacturing Co. vs. Miller*, 41 Fed. Rep., 351; *David Bradley Manufacturing Co. vs. Eagle Manufacturing Co.*, 57 Fed. Rep., 980.

But in each of the cases cited, the party who was held bound by the prior judgment had indemnified the judgment debtor, either by an express contract, or by operation of law, and that of itself created privity between them.

Thus, in the case of *Robbins vs. City of Chicago*, Robbins, who owned land abutting on the street, was making certain improvements on the sidewalk in front of his property, and did it so carelessly that during the night time one Woodbury fell into the excavation made, and was injured. He brought suit against the City of Chicago to recover damages for the injury. The city authorities notified Robbins to defend the suit, but this he declined to do. The result was that Woodbury obtained judgment against the city for \$15,000. By the charter of the City of Chicago it was provided that in such cases the city should have a remedy over against the property owner, who failed to defend such suits when notified thereof. In other words, the property owner stood in the character of an indemnitor to the city. The Supreme Court held, that by virtue of that relationship the City of Chicago was entitled to recover from Robbins the \$15,000, and he was not allowed to question the judgment.

In the second case cited, *Lovejoy vs. Murray*, 3 Wall., 1, there was an actual bond of indemnity. The syllabus of the case says :

“ A plaintiff in attachment who indemnifies the attaching officer, and afterwards takes upon himself the defense when that officer is sued, is concluded by the judgment against that officer, when such plaintiff is afterwards sued for the same trespass.”

These two cases announce the law as it exists relative to torts in general. The same rule exists as to infringement of patents.

The third case cited by the learned judge, is *Eagle Manufacturing Co. vs. Miller*, 41 Fed. Rep., 351. That was a suit in equity for infringement of a patent against W. L. Miller and L. W. Miller, who were agents of a corporation called Mast & Co., which manufactured the infringing machines. But, according to the opinion of the court, it appears that the said corporation, Mast & Co., was "bound by contract with their agents, the defendants, to protect them against the consequences of infringement;" and in accordance with this contract of indemnity, the said corporation assumed the control and management of the defense.

In the third case cited, *David Bradley Manufacturing Co. vs. Eagle Manufacturing Co.*, 57 Fed. Rep., 980, it appears that the prior decree relied upon as *res adjudicata* had been rendered against a branch house of the defendant. The syllabus says:

"Where a suit for infringement of a patent is brought against a firm that is a branch of the company that manufactures the infringing device, and such company conducts the defense, raising the question of validity of the patent, a decree for complainant is conclusive as to the validity of the patent as against the company conducting the defense."

It will thus be seen that in each of the cases cited by the learned judge in support of his opinion, the relation of indemnitor and indemnitee existed. And it was on that ground that those decisions were based. He seemed to recognize this principle in rendering his decision, for he said:

“By the evidence of the witness Fry, just upon the stand, it is very evident that he was nothing more than the agent of the Singer Manufacturing Company. He had no responsibility in the former suit, and it was indifferent to him personally how that suit may have been concluded, because the company was to protect it.”

But here he was in error. The company was *not* to protect him. There was no contract of indemnity between them; for Fry testified that he knew that, if judgment was rendered in that case, it would be rendered against him personally; that he had no agreement or understanding with the company that they were to reimburse him if he were mulcted in damages; that the suit went on with this big amount of damages charged against him individually, without any agreement of that kind; that he made no agreement regarding it. (Record, page 75.)

How the learned judge could have fallen into such an error we cannot understand. He certainly was in error, because the witness Fry testified to the contrary. We thus see that there was no contract of indemnity between the Singer Company and Fry, and this conclusively disposes of the four cases cited in support of the decision.

The case of *Cromwell vs. County of Sac*, 94 U. S. 356, would appear to be applicable to the question here at issue. In that case it appeared that Cromwell was the owner of a certain series of bonds issued by the county of Sac in the State of Iowa. Through one Smith, who was the nominal holder for Cromwell, the real party in interest, of one of those bonds, suit had been brought on one

of the coupons thereof, to recover the interest due thereon, and in that action judgment had been rendered in favor of the county, holding that the bond was void and for that reason that a suit could not be maintained to recover the interest. Cromwell then brought the subsequent suit of *Cromwell vs. County of Sac*, on a coupon of another one of the bonds of the same series, and the prior judgment was held by the lower court to be a bar to the action. The Supreme Court, however, through Mr. Justice Field, who rendered the opinion, held to the contrary and reversed the judgment, and in rendering the decision said:

“ Various considerations, other than the actual merits, may govern a party in bringing forward grounds of recovery or defense in one action, which may not exist in another action upon a different demand, such as the smallness of the amount or the value of the amount in controversy, the difficulty of obtaining the necessary evidence, the expense of the litigation and his own situation at the time. A party acting upon considerations like these ought not to be precluded from contesting in a subsequent action other demands arising out of the same transaction.”

Apply this reasoning to the case of *Cramer vs. Fry*. The original object of that suit was to obtain a judgment against the Singer Manufacturing Co., a responsible defendant, in connection with its agent Fry. The Singer Company succeeded in securing a dismissal of the suit as to it. Thereafter the plaintiff was limited to a recovery against Fry, the agent. Cramer

might easily have been unwilling and unable to expend the time, labor and money necessary to obtain a judgment against Fry which would be without benefit to him, Fry being an irresponsible party, a mere clerk or agent, and all of the considerations referred to by Judge Field in the Cromwell case might have influenced Cramer in a suit against Fry.

The case of *Litchfield vs. Goodnow's Administrator*, 123 U. S., 549, is on the same lines. The facts of the case will be found fully stated in *Stryker vs. Goodnow's Administrator*, 123 U. S., 527.

Briefly stated, the facts were these: Litchfield owned lands coterminous with those of the judgment debtor in the former case. The prior suit involved a question of taxes on the lands of said judgment debtor. The same question existed as to Litchfield's lands. Litchfield voluntarily assisted in defense of the prior suit, by contributing to the costs and expenses thereof. In the subsequent suit against Litchfield concerning the taxes on his lands, it was held that the prior judgment was not *res adjudicata*, although the same question was there involved and decided.

In rendering the opinion of the court, Mr. Chief Justice Waite says:

"The defense of prior adjudication is disposed of by the fact that Mrs. Litchfield was not a party to the suit in which the adjudication relied on was had. At the time of the commencement of the suit, she was the owner of her lands, and they were described in the bill, but neither she, nor any one who represented her title, was

named as defendant. She interested herself in securing a favorable decision of the questions involved so far as they were applicable to her own interest, and paid part of the expense; but there was nothing to bind her by the decision. If it had been adverse to her interests, no decree could have been entered against her personally, either for the land or the taxes. Her lands were entirely separate and distinct from those of the actual party. A decree in favor of, or against them, and their title, was in no legal sense a decree in favor of, or against her. She was indirectly interested in the results, but not directly. As the question affecting her own title, and as her own liability for taxes were similar to those involved in the suit, the decision could be used as a judicial precedent in a proceeding against her, but not as a judgment binding on her and conclusive as to her rights. Her rights were similar to but not identical with those of the persons who were actually parties to the litigation."

In conclusion, we submit that in whatever light this case be viewed, the lower court committed error at the trial, for which a reversal must be had.

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